

THE BONNEVILLE POWER ADMINISTRATION'S STANDARDS OF CONDUCT

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I. INTRODUCTION

In the discussion of Order 888, the Federal Energy Regulatory Commission (FERC or Commission) noted that “BPA is not a public utility under section 201(e) of the FPA [Federal Power Act] and, thus, is not subject to the requirements of this Rule [Order 888] to put the Final Rule pro forma tariff into effect.” 61 Fed. Reg. 21,540, 21,668 (1996). Likewise, BPA is not subject to the requirements of Orders 889 and 889-A. Order No. 889, 61 Fed. Reg. 21,737 (1996). Nevertheless, BPA elected to voluntarily comply with these rules. In BPA's comments on the draft FERC Standards of Conduct, Real-Time Information Networks and Docket, RM95-9-000, BPA committed to “separating its wholesale power marketing function from its transmission system operation and reliability function ... and conduct[ing] its future operations consistent with the Standards of Conduct to the extent possible under law.”

On January 2, 1997, in fulfillment of BPA's commitment, BPA submitted its Standards of Conduct (SOC), and requested a declaratory order finding that BPA's SOC comply with Order 889. The following day, BPA put its SOC into effect. Concurrent with its SOC submittal, BPA solicited public comment. It received one letter. On March 4, 1997, FERC issued Order 889-A. In December 1997, the Commission began issuing a series of orders commenting on over 80 utilities' filings.¹ As a result of these orders, BPA requested the Commission to suspend consideration of its current filing for 90 days pending BPA's development and filing of its revised SOC. BPA revised its SOC filing to: (1) respond to the concerns raised in the public comment, (2) address the Commission's revisions raised in Order 889-A, and (3) reflect the clarifications in the recent FERC orders.

II. BACKGROUND

Congress created BPA as a federal power marketing agency in 1937 to market electric power from the Bonneville Dam and to construct facilities necessary to transmit such power. Subsequently, Congress designated BPA as the marketing agent for power from all the federally owned hydroelectric projects in the Pacific Northwest. Today, BPA markets the power from 29 federal dams and several non-federally owned projects, including one nuclear plant. BPA also built, operates and maintains a high voltage transmission system of 363 substations and more than 15,000 circuit miles of transmission line. This grid provides about three-fourths of the Pacific Northwest region's transmission capacity. BPA owns approximately 80 percent of the northern portion (north of California and Nevada) of the Pacific Northwest-Pacific Southwest Intertie, which has a capacity of

¹ American Electric Power Service Corp., et al., 81 FERC ¶ 61,332 (1997); Illinois Power Co., et al., 81 FERC ¶ 61,338 (1997); Allegheny Power Service Corp., et al., 81 FERC ¶ 61,339 (1997); Atlantic City Electric Co., et al., 82 FERC ¶ 61,028 (1998); Baltimore Gas & Electric Co., et al., 82 FERC ¶ 61,073 (1998); Arizona Public Service Co., et al., 82 FERC ¶ 61,132 (1998); Carolina Power & Light Co., et al., 82 FERC ¶ 61,193 (1998); Cambridge Electric Light Co., et al., 82 FERC ¶ 61,246 (1998); and Colorado Springs Utilities, et al., 82 FERC ¶ 61,297 (1998).

7,900 megawatts. The dams and the transmission system are known as the Federal Columbia River Power System (FCRPS).

BPA's service area includes Oregon, Washington, Idaho, western Montana and small parts of Wyoming, Nevada, Utah, California and eastern Montana. This area encompasses 300,000 square miles. BPA sells wholesale power to 156 Pacific Northwest public and private utilities, federal agencies, marketers, power brokers, and large industries. BPA also sells or exchanges power with utilities throughout the West, Mexico and in Canada. BPA's Northwest customers serve a population of over 10 million.

BPA's federal agency status raises important points unique to BPA with respect to BPA's implementation of the Standards of Conduct. BPA is charged by Congress with the responsibility of implementing numerous organic statutes, including the Bonneville Project Act, 16 U.S.C. §§ 832 - 832l, Pacific Northwest Consumer Power Preference Act, 16 U.S.C. §§ 837 -837h, Federal Columbia River Transmission Systems Act (Transmission System Act), 16 U.S.C. §§ 838 - 838k, and the Pacific Northwest Electric Power Planning and Conservation Act (Northwest Power Act), 16 U.S.C. §§ 839 - 839h. Some BPA decisions will necessarily have substantial impact on both the power and transmission business lines, and are of significant importance to the region and the nation. Examples include implementation of the Canadian Treaty, obligations related to payment of Washington Public Power Supply System bonds, statutory requirements to serve preference customers, statutory requirements to establish rates to recover "total system costs," and fish and wildlife obligations under the Northwest Power Act and the Endangered Species Act, 16 U.S.C. §§ 1531-1544.

BPA has a single Administrator with decision making authority and responsibility over the sale of power and transmission. The BPA Administrator, as head of a federal agency, is accountable to the Executive Branch and to Congress. This accountability dictates that the Administrator must have a direct decision making role in some issues and be free to provide information to the Executive Branch and Congress consistent with his or her legal responsibilities. Consistent with having a single Administrator, BPA also has only one integrated fund within the United States Treasury from which debts and expenses are paid, irrespective of whether the costs are incurred to provide power, transmission, or other public benefits. This structure of a single Administrator and one integrated fund cannot be altered other than by an Act of Congress.

BPA has voluntarily submitted its open access tariffs to FERC for review, separated its transmission and power businesses, implemented an Open Access Same-time Information System (OASIS), and implemented Standards of Conduct. As indicated earlier, BPA is committed to implementing the Standards of Conduct to the extent possible under law. The following procedures describe how BPA has separated, and how the Standards of Conduct are being applied.

III. FUNCTIONAL SEPARATION

The following section describes BPA's functional separation from four perspectives: organizational separation, physical separation, transmission information access and security, and decision making.

A. ORGANIZATIONAL SEPARATION

BPA has separated into four primary groups: Transmission, Power, Energy Efficiency, and Corporate. BPA's organizational chart and employee job descriptions define which employees are engaged in which functions and show the chain of command. The organizational chart and job descriptions are posted on BPA's OASIS.

1. BPA's Four Business Groups.

In the language of the FERC Standards of Conduct, the Transmission Business Line (TBL) contains the transmission system operations and reliability functions (TSORF) and the Power Business Line (PBL) contains the wholesale merchant function (WMF). BPA has no power marketing affiliate. Energy Efficiency manages conservation programs and offers products and services to enhance energy conservation in the Northwest, and engages in neither TSORF nor WMF. Finally, Corporate employees are shared employees that also do not engage in either the TSORF or WMF. Various divisions within Corporate include Business Services, Planning, Environment, Fish and Wildlife, and Legal.

2. Shared Employees.

A shared employee is one whose function serves more than one business line. Shared employees do not have physical access to the control center in Vancouver or the trading floor. In their normal course of business, shared employees do not have access to BPA's RODS system (as described later in this document, this is BPA's Energy Management System (EMS)), or use transmission information to make transmission or power marketing decisions. Most importantly, shared employees are not TBL or PBL decisionmakers. If a shared employee obtains transmission system, market, or customer information governed by the Commission's SOC rules, that employee is bound by the Standards of Conduct requirement to not disclose such information to PBL employees.

3. Information Technology and Power Billing.

There are two groups of employees on the PBL side of the organizational chart that may access RODS information as part of their daily functions. Similar to shared employees, these employees do not use information to make transmission or power marketing decisions. These employees are bound by the Standards of Conduct prohibition to not disclose such information to other WMF PBL employees.

First, Information Technology employees, "PGG", are responsible for maintaining the Scheduling Computer Project (SCP) servers that link the SCP with RODS.² Although they may have access to transmission, market or customer information, they do not act on

² SCP is described in detail in the Transmission information, Access & Security section that follows.

this information. The purpose for their access is solely to assure that those BPA computer systems and databases are running effectively. PGG employees do not share this information with WMF employees in the PBL. Second, Power Billing employees, those classified as PSR Revenue Analysts, have access to RODS and kW/kWh meter data so that they may effectively bill PBL transactions. PSR employees do not share this information with other WMF employees in the PBL.

BPA believes it is critical that these groups of PBL employees have access to RODS information. Without this RODS information, PBL's ability to bill customers, and BPA's ability to effectively operate and maintain computer systems would be jeopardized.

4. Generation Supply.

The Generation Supply organization, those with the "PG" as part of their designation, has access to real-time information about the operation of the generation levels at the hydro generation projects. This information is provided from the SCP conversion of RODS data. The SCP does not include the RODS data concerning generation levels of resources other than Federal hydro generation projects. The SCP also does not include RODS data that would be considered transmission information, customer information, or market information. It is critical that Generation Supply has access to real-time information about the generation levels at the Federal hydro projects in order to properly manage those resources.

B. PHYSICAL SEPARATION

BPA employees are located in offices at headquarters in Portland, Oregon; two Washington control centers, one in Vancouver (Dittmer), and the other outside of Spokane (Munro); and field locations throughout the system service territory. Prior to Orders 888 and 889 and BPA's reorganization, TSORF/TBL and WMF/PBL employees were located at the same facilities.

Since early 1996, BPA has been moving toward functional and physical separation. In December 1997, BPA completed total physical separation. Steps in BPA's separation process included:

- ☐ Transmission sales and power sales functionally separated in January 1996.
- ☐ The senior vice-president for the TBL and the transmission marketing, customer service and sales staffs moved from the headquarters building in April 1997.
- ☐ Transmission pre-scheduling functionally separated from power and generation pre-scheduling in June 1996.
- ☐ The Generation Supply and Generation Scheduling employees moved from Dittmer to Portland headquarters in December 1997.
- ☐ All billing functions were transferred to the TBL in October 1996. Then, the PBL billing function was functionally and physically separated from the TBL billing function in December 1997.

As of December 1997, the majority of TBL employees were either located in Vancouver, Washington, or in the field throughout the region. Exceptions are portions of

Technical Services (TN) and Support Services (TS).³ These employees are located on the third and fourth floors in Portland at headquarters, which are separate floors from the location of PBL employees. All PBL employees are either located in Portland, Oregon or in the field throughout the region, except for Power Generation Control Systems employees (PGGC). Except for those PGGC employees just mentioned, there are no PBL employees at either control center. At field locations, TBL employees have office space, phone lines, fax, copy machines, files, and information systems separate from the PBL employees.

BPA takes security at all of its buildings very seriously. The Munro control center is a gated and locked facility. Only TBL employees have ready access. First, the Munro facility manager's office must clear all other people presenting themselves for entry through a security gate. Video cameras verify an individual's identity. Then, to enter the building, the dispatcher or the Munro facility manager's office must buzz an individual through the locked entry. Thus, PBL employees do not have access to the Munro control center in any way that differs from the general public.

Security officers are placed in the entry of the headquarters and Dittmer buildings. All employees must present their picture identification badges to obtain entry. In addition, BPA has re-badged all its TBL employees so BPA's security officers may easily identify them as TBL employees, distinct from other BPA employees. At Dittmer, any employee not displaying a new badge is stopped by security at the entrance. If the employee is a shared employee, then the security guards will allow them entry. If the employee is a PBL employee or a non-BPA employee (e.g. a visitor), then they must remain at the entry for a TBL escort. Thus, PBL does not have any preferential access to the Ross Complex.

Within Dittmer, there is another complex set of security measures that an individual must pass through before he can gain entry into the core control area operator portion of the complex. This area is secured by a card-key and security code. Only a limited number of TBL employees have access to this core control area operator portion of the complex.

To more effectively resolve system emergencies, BPA has established a temporary "hot-site" for PBL at Dittmer. This hot-site is equipped with back-up computer scheduling equipment that is necessary to assure reliable operation of the power system. In the event of an emergency affecting system reliability, power scheduling personnel may obtain access to the hot-site. TBL will report all emergencies pursuant to FERC requirements. In November 1998, BPA will complete construction of an alternative hot-site and PBL will abandon the hot-site in Dittmer. At that time, except for PGG and PGGC employees, no PBL employees will be allowed access to Dittmer in a manner that differs from the access provided any other transmission customer.

³ For a further description of TN and TS duties see BPA's organizational chart and job descriptions on the OASIS.

C. TRANSMISSION INFORMATION ACCESS AND SECURITY

1 Background.

BPA's computer systems have developed over the past twenty-five years in a joint transmission and generation management utility environment. As a result of FERC Orders 888 and 889, BPA embarked on separating these systems. Historically, BPA has relied on one comprehensive interconnected computer system to operate its real-time transmission and generation systems. This system became the source of data necessary for operating BPA's secondary computer systems. These secondary computer systems provide support for the engineering, scheduling, metering, billing, forecasting, rate development, and financial management of BPA.

This section describes BPA's primary operational and scheduling computer systems. In addition, there is a brief explanation of BPA's secondary computer systems and how they are connected to data derived from the primary computer systems. Also identified are the types of displays to which the PBL does and does not have access. Finally, this section states the security measures BPA has implemented to assure that the PBL does not have access to transmission, customer, or market information in contravention of FERC rules.

2 Operational & Scheduling Systems.

BPA uses two separate systems to carry out its control area operator (CAO) responsibilities -- the Supervisory Control and Data Acquisition (SCADA) System and the Energy and Transmission Real-Time Operational Dispatch (EMS/RODS) System. SCADA provides control and data acquisition to and from substations. Originally, RODS was designed to account for both energy and transmission transactions in real-time and after the fact. RODS also was the primary tool for managing generation. Thus, these two systems together provide BPA the ability to schedule and coordinate energy and transmission transactions at Army Corp of Engineer and Bureau of Reclamation projects.

FERC rules do not require a transmission provider to maintain separate energy and transmission scheduling computers. Nevertheless, in late 1996 BPA decided to augment its existing systems with a new energy Scheduling Computer Project (SCP). The SCP better facilitates BPA's move into a flexible deregulated power market and further separates the TBL and PBL scheduling functions. SCP contains a relational database that represents PBL's energy contracts. From this database, PBL can manage and schedule energy transactions without having to use the RODS computer.

PBL relies on the SCP for its energy scheduling needs. There is a connection between the SCP and RODS computers to provide PBL, Generation Supply, the hydraulic and output data necessary to monitor generation. To transfer this information to the PBL, SCP and RODS will use the same physical network, however they will employ different network addresses to assure computer separation. Although SCP and RODS use a common network, RODS access and screen security is maintained by the use of different servers and terminal equipment. TBL maintains the network security while Power Business Information Technology employees, (PGG), maintain the SCP servers. TBL

controls the interface between the SCP and RODS by using a firewall to preclude PBL from viewing sensitive accounting data. Finally, RODS security is assured because TBL has restricted the PBL's ability to physically access TBL's RODS terminals and also restricted PBL's ability to add any computer applications that could access sensitive data. Therefore, TBL has implemented security measures that prevent PBL employees from having access to transmission, customer or market information in contravention of FERC rules.

3 Hydraulic Operations Modeling.

BPA, in conjunction with the Army Corps of Engineers and the Bureau of Reclamation, has responsibility for managing and operating the FCRPS. The applications that assure proper control of river levels and flows require the use of a portion of the RODS data acquisition computer and its data sets. PBL develops and uses its own software to analyze the data. PBL compensates the TBL for its use of TBL computers and telecommunications systems that gather these data. This avoids costly duplication of complex and expensive communications and information systems, and allows the integration of both Federal and non-Federal generation resources. Therefore, PBL can assure the reliable and coordinated management of the FCRPS. Again, TBL controls access to the RODS to assure FERC compliance.

4 Billing Information.

a. WBS System

Wholesale Billing System (WBS) is a shared computer system that enables PBL and TBL Revenue Analysts to prepare their respective billing statements. RODS primary rotary account data is processed by two different systems before transferring that data to the WBS. Access to the computer system that processes the RODS data before it is transferred to the WBS is password protected. WBS also draws on data from the SCP database and the Revenue Metering System (RMS). Thus, Power Billing (PSR), is limited to the billing data necessary to bill PBL transactions. Power Billing is aware of the SOC prohibitions and does not share this information with others in the PBL. Finally, TBL controls the physical access to the servers, limits the computer access by using passwords and has limited the distribution of the software to billing employee terminals.

TBL Billing and PBL Billing create their individual statements for their respective business lines. PBL Billing provides TBL Billing its statement and TBL Billing distributes both business line bills to the customer in one BPA envelope. TBL Billing maintains the BPA official Billing file. This assures that PBL cannot see any TBL customer information.

b. BIS System

The billing statements and metering data are transferred from WBS to another computer system, the Billing Information System (BIS). PBL can use this system to review a customer's PBL statement. However, a firewall prevents PBL from viewing a customer's TBL statement. Thus, no transmission customer's information is available to

PBL. Additionally, the system is password protected so only customers or their designated agent can access their individual account information in its entirety. If a customer wants to give this information to the PBL they must do so directly and cannot use the TBL as a conduit.

5 Information Resources Network.

The Information Resources Network, (the IR Network), is a Corporate computer network that provides general-purpose access to many different data sets. These data include customer information, revenue information, transmission usage information, transmission engineering data, transmission capacity planning studies, transmission contract images, energy contract images, and forecasting data. Corporate uses these data to prepare financial reports and perform budget analysis.

PBL employees can only access PBL accounting, contract images, energy forecasting, and energy revenue data from the IR Network. PBL employees cannot access transmission customer information, transmission engineering studies, transmission contract images, and transmission usage information unless it pertains to their own transactions or is available to all other transmission customers over the OASIS.

TBL and Corporate secure access to these replicated data sets using general server administrative safeguards including limiting computer access by using organizational routing codes, user IDs and password controls. Physical separation of the server hardware and shared disc-drive systems is in progress and should be completed by the end of 1998. Physical barriers also control access to these TBL sensitive business systems. These systems are located within Dittmer and the PBL employees are located at the Portland headquarters. Security guards restrict control center access to TBL employees. Cardkeys further restrict entry. BPA Corporate and TBL network and server administrative staffs will conduct periodic security and inventory audits to assure that unauthorized access does not occur. Thus, PBL employees do not have access to transmission, customer or market information in contravention of FERC rules.

6 Special Telephone Systems and Transaction Recording.

The use of common telephone systems is segregated by different line access for TBL and PBL real-time schedulers and prescheduling staffs. BPA is recording all transactions in these two areas between PBL and TBL. Furthermore, PBL cannot access the TBL's taped recordings of transactions. BPA has informed PBL and TBL employees that their voice communications are subject to potential FERC review and that periodic audits of significant voice communications will be conducted to assure a high standard of compliance.

7 Metering Systems.

BPA employs both point of delivery recording metering and centralized data collection metering systems. The three centralized metering systems that BPA uses; the KWH, the Revenue Metering System (RMS) and the MV90 System, are managed and controlled by the TBL. TBL restricts access to metering data by using passwords, and

limits physical access to the metering systems and servers. PBL cannot access the KWH directly. Rather, information from the KWH is transferred to the RODS rotary accounts. Certain PBL Revenue Analysts may access this information to resolve billing issues. Limited access for customers and maintenance personnel is provided on a password secured basis to the RMS system. TBL staff will have access to the MV90 backup system but PBL will not. MV90 data will be available on the BIS system. The PBL and all other TBL customers will have access to their own, and only their own MV90 data on the BIS system.

D. DECISION MAKING

1 Business Line Management Committees.

Before the Standards of Conduct, the Administrator, in consultation with the Executive Committee, made all major BPA decisions. BPA has restructured and narrowed its Executive Committee focus to environmental, financial, cultural and public benefit issues. BPA now has three business line management committees. The members of each management committee include the Administrator, Deputy Administrator, Chief Operating Officer, General Counsel, the Corporate group's vice-presidents, and the senior vice president and vice-presidents of the particular business line. The purposes of these business line management committees are like those of a board of directors – the committees focus on establishing strategic and financial goals, and monitor the progress toward achieving those goals for each business line. They are specifically responsible for reviewing quarterly financial reports for the entire agency. Members of these business line management committees do not direct, organize or execute either TSORF or WMF. Nor do they serve as conduits for improper communications. The members are aware of, and are bound by, BPA's SOC provisions.

2 Officers.

BPA's officers are the Administrator, Deputy Administrator, and Chief Operating Officer. Officers have responsibility for and decision making duties over all business lines. However, these officers do not have access to BPA's EMS/RODS, and do not execute or direct either TSORF or WMF. Consistent with their ultimate decision making responsibility, the officers will resolve inter-business line disputes.

To comply with the Standards of Conduct while making specific transmission or power business decisions, the Administrator, Deputy Administrator and Chief Operating Officer will limit their decision making to the following:

For the TBL, the Administrator, Deputy Administrator and Chief Operating Officer will:

- ☐ Make decisions about major new facilities;
- ☐ Make major construction decisions;
- ☐ Set transmission rates based on the rate case record and established tariffs consistent with requirements of law;
- ☐ Make policies and rules of general application for BPA;
- ☐ Set performance goals and review performance; and

- ☐ Allocate budget authority, which includes Federal and non-Federal capital.

For the TBL, the following decisions are delegated to the business line. The Administrator, Deputy Administrator and Chief Operating Officer will not:

- ☐ Make decisions regarding day-to-day transmission system operations;
- ☐ Offer or respond to requests for BPA transmission service;
- ☐ Execute transmission agreements;
- ☐ Apply the rate schedules and tariffs; and
- ☐ Monitor transmission system status.

For the PBL, the Administrator, Deputy Administrator and Chief Operating Officer will:

- ☐ Make major resource acquisition decisions;
- ☐ Set power rates based on the rate case record and consistent with the requirements of law;
- ☐ Make policies and rules of general application for BPA;
- ☐ Set performance goals and review performance; and
- ☐ Allocate budget authority, which includes Federal and non-Federal capital.

For the PBL, the following decisions are delegated to the business line. The Administrator, Deputy Administrator and Chief Operating Officer will not:

- ☐ Engage in day-to-day marketing;
- ☐ Make short-term power purchases;
- ☐ Offer or respond to requests for BPA power service;
- ☐ Execute power agreements; and
- ☐ Apply rate schedules.

Thus, in the normal course of business the Administrator, Deputy Administrator, and Chief Operating Officer will not direct, organize, or execute either TSORF or WMF. The Administrator, Deputy Administrator, and Chief Operating Officer are aware of and bound by BPA's SOC provisions. Officers do not serve as conduits for improper communications.

IV. STANDARDS OF CONDUCT

A. STANDARDS OF CONDUCT

BPA has adopted the following Standards of Conduct. These Standards of Conduct apply to all BPA employees.

1. Function Independently

Except in emergency circumstances described below, BPA employees engaged in TSORF function independently of employees engaged in WMF.

- ❖ BPA's job descriptions and organizational chart shown on the OASIS define the functions each employee performs and illustrate the chain of command.

- ❖ TBL's TSORF employees function independently of employees engaged in PBL's WMF.
- ❖ Information about reservations is available only on the OASIS; PBL's transmission acquisition personnel do not have preferential access. PBL must reserve and schedule transmission service, including ancillary services, using the same procedures and systems available to all transmission users.

In emergency circumstances affecting system reliability, BPA may deviate from the SOC to take whatever steps are necessary to keep the system in operation. BPA will report within 24 hours to the Department of Energy, the Federal Energy Regulatory Commission, and on the OASIS any such emergency that results in a deviation from the SOC explaining the nature and duration of the emergency and how BPA deviated from the SOC.

2. Employee Conduct

Any PBL employee engaged in WMF (i) cannot conduct TSORF, or (ii) have access to the system control center or similar facilities used for TSORF that differs in any way from the access available to all other open access transmission customers.

- ❖ BPA does not have a power marketing affiliate.
- ❖ Except for the Phase 1 exception for transmission reservation requests made after 2:00 p.m. of the day preceding the commencement of service, all transmission reservation must be made on the OASIS. PBL employees do not request transmission service via telephone, Intranet, or intra-office e-mail, or schedule transmission requests on the RODS computer.
- ❖ TBL employees do not have access to the PBL trading floor.
- ❖ Except for those PGGC employees previously mentioned, there are no PBL employees at either control center. PBL employees do not have access to Dittmer or Munro in any way that differs from all other transmission customers.

3. Transfers

BPA will not transfer PBL or TBL employees as a means to circumvent the Standards of Conduct.

- ❖ Notice of an employee transferring between the TBL and PBL will be posted on the OASIS prior to a transfer and remain posted for 90 days.
- ❖ The posting includes the name of the transferring employee, the respective titles of the employee before and after the transfer, and the effective date of the transfer.
- ❖ Employees transferred from TBL to the PBL shall exercise care in their new positions to not disclose to other employees any transmission system, customer, or market information they obtained in their prior positions.

4. Information Access

PBL employees engaged in WMF shall only have access to that information that is available to BPA's other transmission customers on the OASIS (i.e., the information posted on an OASIS). PBL employees engaged in WMF must not have preferential access to any information about BPA's transmission system that is not available to all users of the OASIS.

- ❖ PBL WMF employees do not have preferential access to information regarding BPA's transmission system. PBL WMF employees receive information regarding BPA's transmission system only through the OASIS, or through a means available to the general public without restriction.
- ❖ PBL WMF employees may obtain information about the status of a specific WMF transaction just as any other customer can obtain information about its transactions. This service provided to PBL will be comparable to that provided to any other customer -- in a comparable time and level of detail.

PBL employees engaged in WMF are prohibited from obtaining information about the BPA's transmission system (including information about available transmission capability, price, curtailments, ancillary services and the like) through information that is not posted on the OASIS or is not otherwise available to the general public without restriction. In addition, PBL employees are prohibited from obtaining transmission information through the OASIS when the OASIS posting is not available to all OASIS users.

- ❖ In addition to the previously described computer systems, BPA employees share common computer systems including LAN, e-mail, and an Intranet. BPA employees are aware of BPA's SOC provisions and will not use these common systems as a means to circumvent the rules. Any violations of these rules are immediately reported and subject to disciplinary action.

5. Disclosure

Employees engaged in TSORF shall not disclose any information concerning BPA's transmission system or the transmission system of another (including information received from non-affiliates or information about available transmission capability, price, curtailments, ancillary services, etc.) through (A) non-public communications conducted off the OASIS; (B) a means that is not available to the general public in comparable time and format; or (C) off-OASIS communications that occur at the same time the information is posted on the OASIS. This prohibition applies to the disclosure of information concerning BPA's transmission system or that of another.

- ❖ This rule will be interpreted consistent with FERC's Prohibition on Disclosure Rule, 18 CFR §37.4(b).
- ❖ Once the PBL has requested transmission or ancillary service on the OASIS, they may negotiate with the TBL off the OASIS transmission or ancillary service availability, terms and conditions just as can any other transmission customer.

- ❖ BPA employees may not share any market information, acquired from nonaffiliated Transmission Customers or potential nonaffiliated Transmission Customers, or developed in the course of responding to requests for transmission or ancillary service on the OASIS, with its own employees engaged in merchant functions, except to the limited extent information is required to be posted on the OASIS in response to a request for transmission service or ancillary services.
- ❖ Consistent with FERC Phase 1 exception for transmission reservation requests made after 2:00 p.m. of the day preceding the commencement of service, scheduling information may be communicated to all transmission customers including the PBL by telephone or fax.
- ❖ Non-affiliated customers or potential transmission customers cannot waive the protection offered by this provision. Thus, PBL may not obtain customer information through the TBL. However, customers are free to give PBL employees their information directly.

If a BPA employee discloses information inconsistent with this rule, then the TBL will immediately post the disclosed information on the OASIS.

6. Implementing Tariffs

BPA applies the following rules to assure non-discriminatory access:

- ❖ TBL strictly enforces all non-discretionary open access transmission tariff provisions.
- ❖ TBL applies all discretionary open access transmission tariff provisions fairly and impartially to treat all customers, including PBL, in a nondiscriminatory manner.
- ❖ The TBL does not give preference through its tariffs or otherwise to PBL in the sale or purchase of transmission services (including price, curtailments, scheduling, priority, ancillary services, etc.).
- ❖ TBL's Transmission Marketing and Sales maintains a discretion log for FERC audit that details the circumstances and manner in which it exercises discretion in the application of its open access transmission tariffs. TBL posts the information contained in the discretion log on the OASIS. The discretion log contains the following:
 - ☐ a description of the situation;
 - ☐ a description of any extenuating circumstances;
 - ☐ criteria and other factors used to decide to exercise discretion;
 - ☐ the conclusions reached;
 - ☐ time references (i.e., duration, deadlines, dates, times, etc.);
 - ☐ the parties involved identified by name and DUNS number;
 - ☐ the facilities involved;
 - ☐ limitations or caveats associated with the decision; and
 - ☐ the actions taken.

7. Separate Books and Accounts

BPA maintains separate books and accounts for TBL and PBL

Legislative mandates require BPA to keep and report financial records as one entity. In accordance with the Grand Coulee Dam - Third Powerplant Act, 16 U.S.C. § 835j, BPA prepares consolidated FCRPS Financial Statements. The Transmission System Act established the BPA Fund in the United States Treasury and authorized BPA to make expenditures that it included in its annual budget submitted to Congress. 16 U.S.C. § 838i.

Comparable treatment of all customers requires that BPA/Corporate internally bill the business lines for services as if they were outside customers. BPA has been treating its internal billing in this manner since January 1997. BPA accounts for business line transactions based on actual data from the SCP for the PBL and RODS for the TBL.

While BPA tracks this information by business line, BPA, as a Federal entity does not have statutory authority to create separate funds for the individual business lines. All cash remains in a single Bonneville fund.

TBL will provide PBL Billing employees with limited computer access to portions of the RODS rotary account system to enable PBL to bill wholesale energy transactions. Information provided will include scheduling and kW/kWh meter data. However, such limited access is not an invitation to share other customer information. PBL Revenue Analysts are aware of BPA's SOC provisions and will not share customer information unrelated to PBL transactions with WMF employees.

8. Written Procedures

BPA maintains these and any updated written procedures implementing its SOC on the OASIS and with FERC.

B. SANCTIONS FOR VIOLATION OF STANDARDS OF CONDUCT

BPA takes its SOC very seriously. All BPA employees have received a guide to assist them in understanding and enforcing its SOC. BPA managers have notified all their employees that the disclosure of transmission system, customer, or market information to PBL merchant function employees other than as provided for in the SOC is forbidden. BPA has designated a SOC compliance officer to whom employees may direct questions about compliance and report perceived violations. All BPA employees have been informed that a violation of the Standards of Conduct may result in disciplinary action.